



Press Release

Innovative Microfinance For Poverty Alleviation And Community Transformation February 10, 2025 Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	34.80	ACUITE B- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	34.80	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE B-' (read as ACUITE B minus) from 'ACUITE B' (read as ACUITE B) on the Rs. 34.80 crore bank facilities of Innovative Microfinance for Poverty Alleviation and Community Transformation (IMPACT) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Established in 2004, Innovative Microfinance for Poverty Alleviation and Community Transformation (IMPACT) is a Tamil Nadu-based company classified under section 8 of The Companies Act, 2013. IMPACT focuses on activities related to empowerment of women and provides training to self-help groups apart from micro finance lending. The company operates across Tamil Nadu, Kerala, Chhattisgarh and Uttar Pradesh. The Company headed by Mr. Suvisedagan Aruliah, Chief Executive Officer and with Mr. Cherian Thomas as Chairman of the Board. The Directors of IMPACT are Mr. Baby Jomon, Mr. Madhav Durga Bellamkonda, Ms. Benita Grace Paul Nangia, Mr. Senthappan Umamaheswaran and Ms. Lisha John.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials :

	Unit	FY18	FY17
Total Assets	Rs. Cr	40.72	30.90
Total Income (Net of Interest Expense)	Rs. Cr	3.81	3.24
PAT	Rs. Cr	0.85	0.66
Net Worth	Rs. Cr	8.56	7.50
Return on Average Assets (RoAA)	(%)	2.38	2.37
Return on Average Net Worth (RoNW)	(%)	10.62	9.29
Total Debt/Tangible Net Worth (Gearing)	Times	3.73	3.08
Gross NPAs	(%)	0.16	0.95
Net NPAs	(%)	0.03	0.13

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Nov 2023	Proposed Long Term Bank Facility	Long Term	0.01	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	3.75	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	9.54	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	9.50	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
29 Aug 2022	Proposed Long Term Bank Facility	Long Term	0.01	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	9.50	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	9.54	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	3.75	ACUITE B (Reaffirmed & Issuer not co-operating*)

* The issuer did not co-operate; based on best available information.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.01	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)
Pallavan Grama Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.75	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.54	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)
Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.50	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)
Small Industries Development Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)
Federal Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)
South Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE B- Downgraded Issuer not co-operating* (from ACUITE B)

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Contacts

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About Acuité Ratings & Research

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